

THE CALIFORNIA STATE UNIVERSITY
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Date: November 21, 2002 **Code: TECHNICAL LETTER**
HR/Salary 2002-20

To: Human Resources Directors
Payroll Officers

From: Cathy Robinson 
Assistant Vice Chancellor
Human Resources Administration

Subject: State University Police Officers (SUPA) – Statement of Earnings and Deductions

The California State University (CSU) initiated discussions with the State Controller's Office (SCO) last year concerning overpayments of employer-paid SUPA (Unit 8) retirement contributions. It was noted that deduction information reflected on the Statement of Earnings and Deductions under "Employer Contributions" for retirement did not appear to accurately reflect the retirement contribution and that the (Government Code-required) \$238 exclusion amount was not being offset.

The SCO acknowledged the error; however, they confirmed that the calculation used for reporting the employer-paid employee contribution amounts to CalPERS was correct and reflected the \$238 exclusion amount. SCO further confirmed that the amount transferred from the employer account to the CalPERS employee's account was correct. The CSU requested the SCO to initiate a payroll system modification to correct deduction information reporting on the Statement of Earnings and Deductions for Unit 8 employees. The modification has been completed and the correction will be reflected on Unit 8 pay warrants commencing with the November 2002 pay period.

Background information: The CSU pays 100% of the employee's retirement contribution pursuant to a July 1, 1996 CSU and SUPA Memorandum of Understanding and successor Agreements. When the overpayment concern was presented in fiscal year (FY) 2000/01, the employer retirement contribution rate was 2.79% of gross pay. With the employee contribution at 8% of adjusted gross pay, the retirement deductions/contributions noted on the Statement of Earnings and Deductions were equivalent to 10.279% of total compensation, with no adjustment indicated for the \$238 offset portion.

For FY 2002/03, the employer retirement contribution rate is 13.925%. With the employee contribution at 8% of adjusted gross pay, the retirement deductions/contributions noted on the Statement of Earnings and Deductions are

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equivalent to 21.925% of total compensation, with no adjustment indicated for the \$238 offset portion.

Effective with the November 2002 pay period, deduction reporting in the “Employer Contributions” section of the Statement of Earnings and Deductions will reflect the employer retirement contribution amount as “**RETIREMNT**” and the employer-paid employee retirement contribution amount, which reflects the \$238 offset, as “**EERETAMT.**” Payment history will not be affected by this modification.

Questions regarding this technical letter may be directed to systemwide Human Resources at (562) 951-4411. This technical letter is available on Human Resources Administration’s web page at: <http://www.calstate.edu/HRAdm/memos.shtml>. Thank you.

CR/dth